

Message Text

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PAGE 01 BOGOTA 03792 01 OF 02 221717Z
ACTION ARA-14

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P 212010Z APR 78
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 7604
INFO AMCONSUL BARRANQUILLA POUCH
AMCONSUL CALI POUCH
AMCONSUL MEDELLIN POUCH
AMEMBASSY CARACAS
USSOUTHCOM

LIMITED OFFICIAL USE SECTION 1 OF 2 BOGOTA 3792

C O R R E C T E D C O P Y T E X T

E.O. 11652: N/A
TAGS: PINT, CO
SUBJ: POLITICAL SUMMARIES: THE WEEK IN COLOMBIA

1. SUMMARY. COLOMBIAN REACTIONS TO THE RATIFICATION OF THE NEW PANAMA CANAL TREATY WERE OVERWHELMINGLY FAVORABLE. CAMPAIGN ACTIVITY CONTINUED TO FOCUS ON TELEVISION APPEARANCES BY THE PRESIDENTIAL CANDIDATES. GOVERNMENT WORKERS RECEIVED PAY RAISES, WHILE REPRESENTATIVES OF PRIVATE SECTOR EMPLOYEES CONTINUED WAGE NEGOTIATIONS WITH THE GOVERNMENT. BUSINESS IN THE AGRICULTURALLY WEALTHY VALLE REGION SEEMS TO BE BOOMING AND THE NATIONAL GOVERNMENT ANNOUNCED A RECORD HIGH FOR INTERNATIONAL RESERVES. GOVERNMENT LOANS MADE POSSIBLE THE FIRST "COLOMBIANIZATION" OF A FOREIGN PHARMACEUTICAL FIRM, A U.S. AFFILIATE. THE ANNIVERSARY OF THE M-19 TERRORIST GROUP WAS RELATIVELY TRANQUIL, ALTHOUGH A VEHICLE BELONGING TO THE PEACE CORPS WAS

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PAGE 02 BOGOTA 03792 01 OF 02 221717Z

DAMAGED. END SUMMARY.

2. COLOMBIANS REACT FAVORABLY TO PANAMA CANAL TREATY. REACTIONS FROM COLOMBIAN POLITICAL LEADERS AND THE MEDIA TO THE U.S. RATIFICATION OF THE SECOND PANAMA CANAL TREATY HAVE BEEN EXPECTEDLY FAVORABLE (BOGOTA 3689). PRESIDENT LOPEZ REFERRED TO THE SENATE'S ACTION AS A STEP TOWARD A NEW ERA IN U.S.-LATIN AMERICAN RELATIONS.

HE EXPRESSED THE HOPE THAT THE SPIRIT OF EQUALITY WHICH THE TREATY REPRESENTS MIGHT BE CARRIED OVER INTO ECONOMIC AND COMMERCIAL RELATIONS WITH LATIN AMERICA. LIBERAL PRESIDENTIAL CANDIDATE TURBAY STRESSED THE IMPORTANCE OF THE TREATY'S REAFFIRMATION OF THE PRINCIPLE OF NON-INTERVENTION AND PRAISED PRESIDENT CARTER FOR HIS COURAGE IN FACING A DIFFICULT PROBLEM. TURBAY'S CONSERVATIVE OPPONENT, BELISARIO BETANCUR, ALSO LAUDED THE AGREEMENT, URGING THAT COLOMBIA BE CAREFUL TO PROTECT ITS OWN INTERESTS IN THE CANAL. EDITORIAL COMMENT IN THE LOCAL MEDIA GENERALLY WAS POSITIVE, THOUGH IN SOME CASES QUALIFIED BY REMARKS FAVORING NON-INTERVENTION, PRESERVATION OF COLOMBIAN RIGHTS IN THE WATERWAY, AND IMPROVED ECONOMIC AND COMMERCIAL RELATIONS WITH THE U.S. COMMENT: THE GOOD-WILL INSPIRED BY THE SENATE'S ACTION HAS CONTRIBUTED TO IMPROVING THE LOCAL ATMOSPHERE WHICH HAD BEEN ROILED BY A RECENT CBS TELEVISION PROGRAM'S ALLEGATIONS OF OFFICIAL COLOMBIAN INVOLVEMENT IN DRUG TRAFFICKING. WHILE THERE HAS BEEN NO WAVE OF ELATION AMONG THE NORMALLY RESERVED COLOMBIANS, A CERTAIN RISE IN THEIR EXPECTATIONS FOR IMPROVED RELATIONS WITH THE U.S., ESPECIALLY REGARDING ECONOMIC AND COMMERCIAL MATTERS, IS INEVITABLE.

3. THE CAMPAIGN MOVES AHEAD - ON TV. A GROUP OF LIBERAL CONGRESSMEN, ELECTED IN FEBRUARY ON THE LISTS ASSOCIATED WITH EX-PRESIDENT CARLOS LLERAS, MET IN BOGOTA TO PREPARE A PROGRAM TO BE USED AS THE BASIS FOR DISCUSSIONS WITH CANDIDATE TURBAY, POSSIBLY NEXT WEEK. THE MEETING WOULD PROVIDE FOR THE INCORPORATION OF HOLDOUT FORMER LLERISTA LEADERS INTO TURBAY'S CAMPAIGN. THE SECOND ROUND LIMITED OFFICIAL USE

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PAGE 03 BOGOTA 03792 01 OF 02 221717Z

OF CANDIDATE'S TV APPEARANCES HIGHLIGHTED A, SO FAR, LACKLUSTER PRESIDENTIAL CAMPAIGN. PRESS AND PRIVATE COMMENT BY INDEPENDENT VIEWERS RATED RETIRED GENERAL ALVARO VALENCIA TOVAR AS THE MOST ATTRACTIVE AND PERSUASIVE TV PERSONALITY, WHILE TURBAY'S AND CONSERVATIVE BETANCUR'S IMAGES HAVE BECOME FUZZIER AND EVEN SOPORIFIC AS THEY ATTEMPT TO CLARIFY ASPECTS OF THEIR PROPOSALS FOR TAXATION. COMMENT: TURBAY'S SUPPORTERS CLAIM THAT ALMOST ALL OF THE FOLLOWERS OF THE RUMP LLERISTA CONGRESSMEN HAVE JOINED TURBAY, WHO HIMSELF DOES NOT SEEM OVERLY CONCERNED OVER THE SPLIT. THE EFFECT OF THE TV SERIES ON POTENTIAL VOTERS IS NOT CLEAR. WHILE SOME WATCHERS SAY THEY WOULD LIKE TO VOTE FOR THE GENERAL, THEY FEEL THAT THEIR VOTES WOULD BE "LOST" SINCE THEY RECOGNIZE THAT THE REAL CONTEST IS BETWEEN THE LIBERAL AND CONSERVATIVE CANDIDATES.

4. GOVERNMENT RAISES OFFICIAL SALARIES; OTHER WAGE TALKS CONTINUE. PRESIDENT LOPEZ, UNDER POWERS GRANTED TO HIM BY LAST MARCH'S SPECIAL SESSION OF CONGRESS (BOGOTA 3306), DECREED A 10-15 PERCENT AVERAGE INCREASE IN THE SALARIES OF GOVERNMENT EMPLOYEES. WHILE THIS IS WELL UNDER THE 50 PERCENT RAISE DEMANDED BY SOME, IT IS APPARENTLY ACCEPTABLE TO THE MAJORITY OF GOVERNMENT WORKERS. THE PRESIDENTIAL ORDER ALSO PROVIDES FOR OTHER WAGE-RELATED

REFORMS AND BENEFITS, INCLUDING AN INCREASE IN THE MINIMUM WAGE FOR OFFICIAL EMPLOYEES TO SOME U.S. \$72 PER MONTH. TALKS BETWEEN THE GOVERNMENT AND THE MAJOR LABOR CONFEDERATIONS REGARDING A GENERAL NATIONAL SALARY INCREASE CONTINUED, WITH THE CONFEDERATIONS CHARGING THE GOVERNMENT WITH DILATORINESS.

5. VALLE BOOMING, BUSINESSMEN IN CALI EXPRESSED CONSIDERABLE OPTIMISM TO AN EMBASSY OFFICER DURING A RECENT VISIT. COMPANIES IN THE RICH AGRICULTURAL VALLEY HAD A GOOD YEAR IN 1977, AND EXPECT AN EVEN BETTER ONE IN 1978. THEY ARE CASH RICH AND ARE IMPORTING AND INVESTING. THE ONLY PESSIMISTS WERE THOSE COMPANIES UNDER STRICT PRICE CONTROLS, SUCH AS PHARMACEUTICAL COMPANIES, AND BANKS, WHO ARE NOT PARTICIPATING AS MUCH AS THEY WOULD LIKE IN THE GENERAL BOOM BECAUSE OF THE OVER-REGULATION OF THE BANKING LIMITED OFFICIAL USE

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PAGE 04 BOGOTA 03792 01 OF 02 221717Z

SECTOR. AGRIBUSINESS, ESPECIALLY THE SUGAR INDUSTRY, SEEMS TO BE ENJOYING THE STRONGEST EXPANSION. SOME BUSINESSMEN DO EXPRESS CONCERN WITH THE "CENTRALISMO" THE EXCESS DEPENDENCE UPON BOGOTA BUREAUCRACY, WHICH HAS CAUSED TWO OR THREE COMPANIES TO MOVE THEIR HEADQUARTERS TO BOGOTA.

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PAGE 01 BOGOTA 03792 02 OF 02 212131Z
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LIMITED OFFICIAL USE SECTION 2 OF 2 BOGOTA 3792

6. COLOMBIA'S INTERNATIONAL RESERVES REACH \$2 BILLION. COLOMBIA'S INTERNATIONAL RESERVES REACHED THE NEW HISTORICAL HIGH OF \$2 BILLION THIS MONTH IN SPITE OF RELATIVELY WEAK EXPORT EARNINGS IN THE FIRST THREE MONTHS OF THE YEAR. COMPARED TO THE FIRST THREE MONTHS OF 1977, COFFEE EXPORTS DECLINED BY 22 PERCENT AND MINOR EXPORTS BY SEVEN PERCENT. SERVICE EARNINGS GREW BY ONLY THREE PERCENT OVER THE SAME PERIOD LAST YEAR. YET, RESERVES GREW BY \$130 MILLION TO REACH THE UNPRECEDENTED FIGURE. THESE FIGURES, WHICH ARE BASED ON EXCHANGE FLOWS RATHER THAN REGISTRATIONS, OR ACTUAL MOVEMENT OF GOODS, WILL STRENGTHEN OVER THE NEXT SEVERAL MONTHS, THEN PROBABLY WEAKEN AGAIN TOWARD MID-YEAR. AFTER THAT, MUCH DEPENDS ON WHETHER BRAZIL SUFFERS ANOTHER COFFEE-DAMAGING FROST.

7. U.S. PHARMACEUTICAL COMPANY "COLOMBIANIZED." ACCORDING TO PRESS REPORTS, AND OTHER SOURCES, COLOMBIAN INVESTORS HAVE PURCHASED 80 PERCENT OF ORGANIZACION FARMACEUTICA AMERICANA (OFA), AN AFFILIATE OF THE U.S. FIRM FOREMOST MCKESSON. THE U.S. COMPANY WILL RETAIN A 20 PERCENT SHARE OF OFA. THE PURCHASE OF OFA, THE LIMITED OFFICIAL USE

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PAGE 02 BOGOTA 03792 02 OF 02 212131Z

FIRST FOREIGN PHARMACEUTICAL COMPANY TO BE COLOMBIANIZED, WAS FINANCED PARTIALLY THROUGH LOANS FROM A FUND ESTABLISHED BY THE GOC IN 1976.

8. M-19 CELEBRATES AN ANNIVERSARY. THE M-19 TERRORIST ORGANIZATION CELEBRATED ITS ANNIVERSARY APRIL 19 WITH A NUMBER OF MINOR INCIDENTS. IN THE MOST SERIOUS, AN EMPTY VEHICLE BELONGING TO THE PEACE CORPS WAS BOMBED (BOGOTA 3674). THERE WERE ALSO FALSE BOMB THREATS AGAINST THE EMBASSY AND SEVERAL PUBLIC BUILDINGS, AND SOME MINOR STUDENT DEMONSTRATIONS. IN OTHER SECURITY-RELATED INCIDENTS, THREE KIDNAP VICTIMS WERE RELEASED, TWO REPORTEDLY BY FARC GUERRILLAS, AFTER RANSOMS WERE PAID, AND THERE WERE TWO NEW, APPARENTLY NON-POLITICAL, KIDNAPPINGS REPORTED IN ANTIOQUIA DEPARTMENT. ALSO, THE ATTORNEY GENERAL'S OFFICE HAS AGREED TO INVESTIGATE THE DEATHS OF SEVEN SUSPECTED KIDNAPPERS KILLED IN A POLICE RAID IN BOGOTA. COMMENT: THE M-19 ANNIVERSARY WAS RELATIVELY CALM. THERE IS NO EVIDENCE THAT THE PEACE CORPS VEHICLE WAS IDENTIFIED AS SUCH BY ITS ASSAILANTS. AT SUCH TIMES, ANY VEHICLE BEARING OFFICIAL LICENSE PLATES IS SUBJECT TO ATTACK BY RADICALS. THE EXNY KIDNAP VICTIMS MENTIONED ABOVE. ASENCIO

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